



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Mike Dunleavy, Governor
Julie Sande, Commissioner
Keith Kurber II, Chairman

Regulatory Commission of Alaska

October 6, 2023

In reply refer to: Finance Section
File: PC39-1018HH
LO#: L2300339

Wilma Marchadesch
Unalaska, City of
P.O. Box 610
Unalaska, AK 99685-0610

Dear Ms. Marchadesch:

On October 5, 2023, the Commission approved updated **Permanent** Power Cost Equalization (PCE) amount(s) in cents per kilowatt-hour (¢/kWh) for Unalaska, City of (UNALASKA), for the listed classes of customers as follows:

| | |
|---------------|--------|
| Residential | 25.05¢ |
| Small General | 25.05¢ |
| Large General | 25.05¢ |
| Industrial | 25.05¢ |

The revised PCE amount(s) result from the review of UNALASKA's Fuel Report filed on September 15, 2023. The PCE amount(s) are effective for bills rendered on or after October 6, 2023. A copy of the Commission Staff's recommendations and schedules are attached as an Appendix.

UNALASKA is reminded of its obligation under the PCE legislation to provide its customers with the notice specified in AS 42.45.120 or similar notice approved by the Alaska Energy Authority.

UNALASKA is also reminded of its obligation under 3 AAC 52.620 and 3 AAC 52.640 to notify the Commission of any change in its rates, surcharges, fuel costs, and/or efficiency of operation, and advises UNALASKA that a failure to comply with those reporting requirements could jeopardize continued participation in the program.

If UNALASKA believes that the calculation used to establish the PCE amount set out above is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

If you have any questions regarding the calculation of PCE amount(s), please contact Utility Financial Analyst Brenda Cox at (907) 263-2131.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

Kevin AufDerHeide

Kevin AufDerHeide (Oct 6, 2023 09:35 AKDT)

Kevin AufDerHeide

Finance Section Manager

cc: Katherine Aubry, Alaska Energy Authority

STATE OF ALASKA

**DEPARTMENT OF COMMERCE,
COMMUNITY & ECONOMIC DEVELOPMENT
REGULATORY COMMISSION OF ALASKA**

MIKE DUNLEAVY, GOVERNOR

701 WEST EIGHT AVENUE, SUITE 300
ANCHORAGE, ALASKA 99501-3469
PHONE: (907) 276-6222
FAX: (907) 276-0160
TTY/Alaska Relay: (800) 770-8973
WEBSITE: <http://rca.alaska.gov>

DATE: October 6, 2023

INVOICE#: 39-1018HH

DATE DUE: November 5, 2023

Wilma Marchadesch
Unalaska, City of
P.O. Box 610
Unalaska, AK 99685-0610

Fee for Commission Staff analysis and recommendations Re:

**FILE #: PC39-1018HH
LO #: L2300339**

Fuel Report under the Power Cost Equalization Program

Amount Due: \$ 39

TOTAL AMOUNT DUE: \$ 39

MAKE CHECK PAYABLE TO: **STATE OF ALASKA**

PLEASE REMIT CHECK AND COPY OF THIS INVOICE TO:

**REGULATORY COMMISSION OF ALASKA
701 W. 8TH AVE., SUITE 300
ANCHORAGE, AK 99501-3469**

If you have any questions, please contact Naomi Johnston at (907) 263-2132 or
naomi.johnson@alaska.gov.

Unalaska, City of

FILE #: PC39-1018HH

Amount Due: \$ 39

LO #: L2300339

Check Number _____

Please tear along dotted line and submit payment with bottom portion. Thank you.

Power Cost Memorandum Fuel Cost Update and Surcharge Change

Date: October 5, 2023

| | | |
|------------------------------------------------------------|----------------------------------------|------------------------------------------|
| Utility Name (Cert. No.) UNALASKA, CITY of (106) | Utility File No. PC39-1018HH | Date Filed: September 15, 2023 |
|------------------------------------------------------------|----------------------------------------|------------------------------------------|

| PCE AMOUNT SUMMARY | Previously Approved PC39-1018GG | Staff Recommended PC39-1018HH |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------|
| Class Rate | <u>Date Approved:</u> September 8, 2023 | <u>Effective Date</u> October 6, 2023 |
| Residential | \$0.2109 | \$0.2505 |
| Small General | \$0.2109 | \$0.2505 |
| Large General | \$0.2109 | \$0.2505 |
| Industrial | \$0.2109 | \$0.2505 |
| <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent </div> | | |

| | |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Prior Fuel Purchase Price: \$ <u>3.8578</u> | New Fuel Purchase Price: \$ <u>4.4916</u> |
| <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted | <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted |
| Delivery Charge: <u>N/A</u> | Surcharge Change: Previous <u>0.24565</u> Updated <u>0.32225</u> |

Signed: *Brenda Cox*
Brenda Cox

Utility Financial Analyst

Commission decision re. this recommendation :

| | Date (if different from 10/5/23) | I CONCUR | I DO NOT CONCUR | I WILL WRITE A DISSENTING STATEMENT * |
|-----------|-------------------------------------|------------------|--------------------|---------------------------------------------|
| Kurber | | <i>Kurber</i> | | |
| Doyle | | <i>Doyle</i> | | |
| Espindola | | <i>Espindola</i> | <i>Espindola</i> | |
| Pickett | | <i>Pickett</i> | | |
| Wilson | | <i>Wilson</i> | | |

Special Instructions to Staff:

*If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

CITY OF UNALASKA

POWER COST EQUALIZATION CALCULATION
BASED ON NON-FUEL COSTS FROM THE
TEST YEAR ENDING JUNE 30, 2018
Fuel Cost Update and Surcharge Change

| | PC39-1018GG | PC39-1018HH |
|--------------------------------------------------------------|---------------------------------|-------------------------------------|
| | Prior Commission Approval | Per Utility Staff Recommended |
| A. Total kWh Generated | 57,936,250 | 57,936,250 |
| B. Total kWh Sold (Appendix 2) | 55,325,767 | 55,325,767 |
| C. Total Non-Fuel Costs (Appendix 2) | 8,931,391 | 8,931,391 |
| D. Non-Fuel Cost/KWH (C / B) | \$0.1614 | \$0.1614 |
| E. Total Fuel and Purchased Power Costs | 14,055,133 | 16,364,235 |
| F. Fuel and Purchased Power Costs/KWH | \$0.2540 | \$0.2958 |
| G. Eligible Costs/KWH (D + F) | \$0.4155 | \$0.4572 |
| H. Eligible Cost/KWH (G) less base rate in effect | \$0.2220 | \$0.2637 |
| I. Lesser of (H) or .8065 cents/kWh | \$0.2220 | \$0.2637 |
| J. Average Class Rates (Appendix 3) | | |
| Residential | \$0.3118 | \$0.3884 |
| Small General | \$0.2843 | \$0.3609 |
| Large General | \$0.3075 | \$0.3841 |
| Industrial | \$0.3464 | \$0.4230 |
| Class Power Cost Equalization Per kWh Payable | | |
| K. Lesser of: (I) x 95%, or (J) | | |
| Residential | \$0.2109 | \$0.2505 |
| Small General | \$0.2109 | \$0.2505 |
| Large General | \$0.2109 | \$0.2505 |
| Industrial | \$0.2109 | \$0.2505 |
| L. Funding Level in Effect | 100% | 100% |
| Residential | \$0.2109 | \$0.2505 |
| Small General | \$0.2109 | \$0.2505 |
| Large General | \$0.2109 | \$0.2505 |
| Industrial | \$0.2109 | \$0.2505 |

PC39-1018HH
Appendix 1

CITY OF UNALASKA

SCHEDULE OF ELIGIBLE POWER COSTS, SALES AND EFFICIENCY
 BASED ON NON-FUEL COSTS FROM THE
 TEST YEAR ENDING JUNE 30, 2018
 Fuel Cost Update and Surcharge Change

| | | | | PC39-1018GG | PC39-1018HH | |
|------------------------------------------------------------|----------------------------------------------|-----------|------|---------------------------------|---------------------|----------------------|
| | | | | Prior Commission Approval | Per Utility | Staff Recommended |
| Non-Fuel Costs: | | | | | | |
| A. | Personnel Costs | | | 2,342,446 | 2,342,446 | 2,342,446 |
| B. | Operating Expenses | | | 8,709 | 8,709 | 8,709 |
| C. | General and Administrative/Facilities Maint. | | | 126,448 | 126,448 | 126,448 |
| D. | Administration | | | 1,510,037 | 1,510,037 | 1,510,037 |
| E. | Interest Expense/Power Production | | | 542,674 | 542,674 | 542,674 |
| F. | Other (Describe)/Line Repair & Maint. | | | 1,201,781 | 1,201,781 | 1,201,781 |
| G. | Depreciation | | | 3,199,297 | 3,199,297 | 3,199,297 |
| H. | Total Non-Fuel Costs | | | 8,931,391 | 8,931,391 | 8,931,391 |
| Fuel Costs: | | | | | | |
| I. | Gallons Consumed for Electric Generation | | | 3,643,265 | 3,643,265 | 3,643,265 |
| J. | Price of Fuel: (per gal.) | 8/31/2023 | | \$3.8578 | \$4.4916 | \$4.4916 |
| K. | Total Cost of Fuel | | | \$14,055,133 | \$16,364,235 | \$16,364,235 |
| L. | Total Cost of Purchased Power | | | \$0 | \$0 | \$0 |
| M. | TOTAL fuel cost & purchased power | | | \$14,055,133 | \$16,364,235 | \$16,364,235 |
| N. | kWh Sold | | | 55,325,767 | 55,325,767 | 55,325,767 |
| O. | kWh Station Service | | | 866,641 | 866,641 | 866,641 |
| P. | Efficiency | ≥ | 13.5 | 15.90 | 15.90 | 15.90 |
| Q. | Line Loss | ≤ | 12% | 3.01% | 3.01% | 3.01% |
| (kWh generated-(kWh sold + Station Service))/kWh generated | | | | | | |

CITY OF UNALASKA

Surcharge 0.322250

Calculation of Average Class Rate per kWh

Rate Schedule: Residential

Customer Charge (CC): \$8.50

| (1) kWh by Block | (2) Rate (\$/kWh) | (3) Surcharge If Applicable (\$/kWh) | (4) Total (\$/kWh) (2+3) | (5) Total \$ (1x4)+CC | (6) Avg. (\$/kWh) (5)/(1) | (7) Avg. Rate (\$/kWh) - 0.1935 kWh |
|---------------------------|-------------------------|-----------------------------------------------|-----------------------------------|--------------------------------|------------------------------------|-------------------------------------------------|
| 750 | 0.248300 | 0.322250 | 0.570550 | 436.41 | 0.58188 | 0.3884 |
| | | | | | | |
| | | | | | | |
| 750 | | | | 436.41 | 0.58188 | 0.3884 |
| TOTAL (A) | | | | | | (E) |

Rate Schedule: Small General

Customer Charge (CC): \$10.61

| (1) kWh by Block | (2) Rate (\$/kWh) | (3) Surcharge If Applicable (\$/kWh) | (4) Total (\$/kWh) (2+3) | (5) Total \$ (1x4)+CC | (6) Avg. (\$/kWh) (5)/(1) | (7) Avg. Rate (\$/kWh) - 0.1935 kWh |
|---------------------------|-------------------------|-----------------------------------------------|-----------------------------------|--------------------------------|------------------------------------|-------------------------------------------------|
| 750 | 0.218000 | 0.322250 | 0.540250 | 415.80 | 0.55440 | 0.3609 |
| | | | | | | |
| | | | | | | |
| 750 | | | | 415.80 | 0.55440 | 0.3609 |
| TOTAL (A) | | | | | | (E) |

Rate Schedule: Large General

Customer Charge (CC): \$53.07

| (1) kWh by Block | (2) Rate (\$/kWh) | (3) Surcharge If Applicable (\$/kWh) | (4) Total (\$/kWh) (2+3) | (5) Total \$ (1x4)+CC | (6) Avg. (\$/kWh) (5)/(1) | (7) Avg. Rate (\$/kWh) - 0.1935 kWh |
|---------------------------|-------------------------|-----------------------------------------------|-----------------------------------|--------------------------------|------------------------------------|-------------------------------------------------|
| 750 | 0.184600 | 0.322250 | 0.506850 | 433.21 | 0.57761 | 0.3841 |
| | | | | | | |
| | | | | | | |
| 750 | | | | 433.21 | 0.57761 | 0.3841 |
| TOTAL (A) | | | | | | (E) |

Rate Schedule: Industrial

Customer Charge (CC): \$106.13

| (1) kWh by Block | (2) Rate (\$/kWh) | (3) Surcharge If Applicable (\$/kWh) | (4) Total (\$/kWh) (2+3) | (5) Total \$ (1x4)+CC | (6) Avg. (\$/kWh) (5)/(1) | (7) Avg. Rate (\$/kWh) - 0.1935 kWh |
|---------------------------|-------------------------|-----------------------------------------------|-----------------------------------|--------------------------------|------------------------------------|-------------------------------------------------|
| 750 | 0.152700 | 0.322250 | 0.474950 | 462.34 | 0.61646 | 0.4230 |
| | | | | | | |
| | | | | | | |
| 750 | | | | 462.34 | 0.61646 | 0.4230 |
| TOTAL (A) | | | | | | (E) |